









Medicare Prescription Drug Coverage

Nebraska SHIIP
Senior Health Insurance Information Program
1-800-234-7119


Medicare Prescription Drug Benefit

- *The Medicare Prescription Drug, Improvement, & Modernization Act 2003
- *Effective January 1, 2006
- *Eligibility – A and/or B
- *Benefits offered through
 - Stand-alone plans
 - Medicare Advantage
 - Employer & Union retiree plans


Medicare Prescription Drug Benefit

- *Voluntary Enrollment
 - Higher premium for late enrollment
 - 1% of base premium for every month enrollment is delayed
 - Higher premium for as long as they are enrolled in a Medicare Prescription Drug Plan
 - Exception for those with “creditable coverage”



Medicare Prescription Drug Benefit

- * Must, at minimum, offer standard basic drug benefit (or actuarial equivalent)
- * May offer supplemental/enhanced benefit
 - “Tiered” copayments or coinsurance
 - Lower deductibles
 - Coverage of drugs not covered under Medicare
 - Changes in the “doughnut hole” (different \$ amount when beneficiary begins to pay 100%)
 - No coverage gap
- * Will use formularies




Medicare Prescription Drug Benefit

- * Must follow marketing guidelines:
 - October 1, 2005
 - No door to door permitted
 - Telemarketing
 - Do Not Call list




Plan Coverage

- * 17 organizations will offer stand alone plans throughout the region
 - 41 plans
- * Monthly premium varies between plans
 - Depends on type and level of coverage
 - Premiums vary from \$1.87 - \$99.90/month




Plan Coverage

- *Nebraska 7 state region:
 - 3 plans – monthly premium under \$20
 - 5 plans – monthly premium \$20-\$25
 - 6 plans – monthly premium \$25-\$30
 - 7 plans – monthly premium \$30-\$35
 - 20 plans – monthly premium \$35 & above




Plan Coverage

- *Many plans offer low premiums (as low as \$1.87/month)
 - Offer less coverage
 - Have fewer drugs covered on formulary
 - Have \$250 deductible
 - Some organizations offer low-premium, \$0 deductible options
 - Doesn't assist with doughnut hole




Plan Coverage

- *Many plans offer more comprehensive coverage (elimination of “doughnut hole” and continue coverage)
 - Will charge higher premiums and may only offer generic drugs during “doughnut hole”
- *Many plans offer zero deductibles with a range of premiums




Plan Coverage

- *Few plans offer drugs without a co-payment or cost sharing
 - Only for generic drugs
- *Some plans allow people to get 90 day supply of prescriptions
 - Must be picked up in person (no mail order)
 - If mail order available, must be filled at designated facility



Plan Coverage

- *10 National Plans available
 - Offer coverage throughout entire United States
 - snowbirds



Plan Coverage – PPO’s

- *Regional Preferred Provider Organizations (PPO’s)
 - Blue Cross/Blue Shield
 - Available January 1, 2006




Enrollment Periods

- *Initial Enrollment Period**
 - November 15, 2005 – May 15, 2006
- *Annual Coordinated Election Period**
 - November 15 – December 31 (every year)
 - Can change plans only during this time
 - Except for dual eligibles who can change any time
- *Special Election Periods**




Important Dates

- *October 2005**
 - Begin comparing plans
 - Medicare & You Handbook
 - Auto-enrollment notice to beneficiaries
- *November 15, 2005**
 - Initial Enrollment period begins
- *January 1, 2006**
 - Medicare Prescription Drug Coverage begins



Important Dates

- *May 15, 2006**
 - Facilitated enrollment for Medicare Savings beneficiaries if haven't enrolled in plan
 - Last day of initial enrollment
- *November 15, 2006**
 - Next date available to change plans or enroll in plan



For More Information

- * www.medicare.gov
- * www.cms.hhs.gov
- * www.answers4families.org
- * www.socialsecurity.gov
- * 1-800-MEDICARE (1-800-633-4227)
- * Nebraska SHIP (1-800-234-7119)
